

January 25, 1974

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND) BEFORE THE PUBLIC SERVICE COMMISSION

IN RE: Filing of proposed changes in Tariffs)
of The Western Union Telegraph Company) DOCKET NO. 17,012
covering charges for Intrastate Public)
Message Telegram and Money Order) ORDER NO. 17,345✓
Services.)

TO: THE WESTERN UNION TELEGRAPH COMPANY

The Western Union Telegraph Company, on August 24, 1973, filed proposed changes in Tariffs covering charges for Intrastate Public Message Telegram and Money Order Services, which indicated a general increase in rates which it proposed to put into effect September 28, 1973, reflecting additional annual gross revenues in the amount of \$43,585, and submitted the following in support of its petition.

1. The Western Union Telegraph Company is a communications common carrier providing both interstate and intrastate telecommunications services to the general public, government and industry.
2. The intrastate operations of the Company are being provided at a loss of about \$6.6 million for a negative rate of return level of 18.2%, whereas the interstate operations are being provided at a profit of about \$1.9 million for a positive 2% rate of return.
3. The Telegraph Company's overall earnings are deficient, intrastate public message services earnings in total for all states are at a loss and separated intrastate operating results for South Carolina are at a loss.
4. The Telegraph Company entered into a new 3-year labor contract effective July 28, 1973, with its union employees which provides for increases in wage rates and benefits which will have a further adverse impact on earnings, but which have not been reflected in the results presented herein.
5. The proposed rate revisions will raise the South Carolina intrastate rates for public message services to the same level as the comparable interstate rates.

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6. The proposed rate revisions will produce additional annual revenues of \$43,585 in South Carolina. For all states in total, the revisions are estimated to produce about \$6 million in additional annual revenues, thus substantially eliminating the existing loss on total intrastate operations.

7. Intrastate South Carolina operations for calendar year 1972 were provided at a loss of \$30,175 or a negative rate of return of 10.2%. After adjustments for known changes and the effect of the proposed rate revisions, the 1972 operating results in South Carolina would have shown a profit of \$14,910 for a pre-tax rate of return of 5.0%.

After fully considering this filing, the Commission was of the opinion that a public hearing would be necessary to determine whether the proposed rates were lawful and reasonable, and, by its Order No. 17,093, issued September 10, 1973, suspended the proposed rates to become effective September 28, 1973, for a period of six (6) months from September 28, 1973 to March 28, 1974, unless, in the meantime, the Commission entered a final order.

A public hearing in this matter was held in the Commission's office in Columbia, S. C., on January 15, 1974. There were no appearances in opposition to this filing.

After consideration of all the testimony taken and the facts presented, the Commission is of the opinion and so finds that the Tariffs submitted for approval on August 24, 1973, by The Western Union Telegraph Company, covering charges for Intrastate Public Message Telegram and Money Order services, are fair and reasonable and should be approved.

IT IS THEREFORE ORDERED: That the following Revised Tariff Pages of TARIFF S.C. P.S.C. No. 1, issued by The Western Union Telegraph Company, be and the same are hereby approved to become effective on all bills issued on or after January 25, 1974:

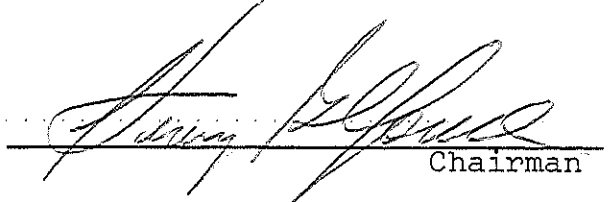
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IT IS FURTHER ORDERED: That this Order remain in full
force and effect until further Orders of the Commission.

BY ORDER OF THE COMMISSION:

ATTEST:


Chairman


Director - Administrative Services

(SEAL)